

**APPROVED MINUTES
of the
FOURTH MEETING FOR 2008
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**Tuesday, July 29, 2008
Room 317, State Capitol
Santa Fe**

The fourth meeting of the Capitol Buildings Planning Commission (CBPC) for 2008 was called to order by Arturo Jaramillo, secretary of general services, co-chair, on Tuesday, July 29, 2008, at 1:35 p.m. in Room 317 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Stuart Ashman, Secretary, Cultural Affairs Department (CAD)
Rhonda Faught, Secretary, Department of Transportation (DOT)
Fern Goodman, Designee for Arthur W. Pepin, Director, Administrative Office
of the Courts
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Katherine B. Miller, Secretary, Department of Finance and Administration (DFA)
Joyce Pankey, State Land Office, Designee for Commissioner Patrick H. Lyons
Clarence Smith, Designee for James B. Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Lemoyne Blackshear, Property Control Division (PCD), GSD
Ric Gaudet, Legislative Council Service (LCS)
Roxanne Knight, LCS
Larry Miller, Deputy Director, PCD
Tom Pollard, LCS
Paula Tackett, Director, LCS
Bill Taylor, Director, PCD

Guests

The guest list is in the meeting file.

Handouts

Handouts and other materials provided to the commission are in the meeting file.

Tuesday, July 29

The minutes of the June 5, 2008 meeting of the CBPC were adopted unanimously, without amendment.

State Records and Archives — Space Needs Study

The need for a new space for the State Records Center and Archives (SRCA) in Albuquerque was discussed with the commission by Director Sandra Jaramillo. The lease on the building currently used for archives is due to expire in 2010, and the SRCA is interested in acquiring a new facility to meet the needs of record archives for the future. Ms. Jaramillo said that the SRCA would like to perform a feasibility study to determine the exact needs of the SRCA, as well as to determine the best method for acquiring the facility. The State Commission of Public Records has fully supported the study and the subsequent leasing or construction of the new facility.

Currently, the SRCA in Albuquerque is housed in approximately 12,000 square feet. A new long-term facility will require a minimum of 24,400 square feet, which will include areas for records storage, an electronic media vault, a destruction storage area, a receiving area and loading dock, office space, an entry counter and security area, a research and reading room and a supply and box resale area. Fire protection systems will need to be in place, and any facility will require reinforced flooring to handle the weight of 75,000 boxes of paper records.

Secretary Jaramillo asked why the SRCA is asking for a feasibility study instead of an appropriation for new construction. Ms. Jaramillo responded that the SRCA also needs to study the archival needs for state agencies in southern New Mexico, which may determine if a facility is needed in that part of the state.

Secretary Faught inquired about the current lease of the space for the SRCA. Ms. Jaramillo said the lease will expire in 2010 and will have to be renegotiated on a yearly basis, probably at a much higher rate.

Secretary Faught asked what role the commission should play in deciding whether state agencies should be in leased space. She said that many state agencies often do not know which direction to pursue. Secretary Jaramillo responded that the commission's main purpose is to support master planning efforts for the state and to coordinate needs of state agencies. Ms. Tackett added that one of the commission's goals is to relocate state agencies into state-owned space when it is feasible.

Cultural Affairs Department Five-Year Plan

Secretary of Cultural Affairs Ashman presented the commission with the CAD's proposed five-year capital outlay plan. The draft plan is still subject to executive approval. Funding requests to the 2009 legislature include:

- \$8.4 million for statewide repairs and maintenance of CAD assets. This includes repairs for the Museum of New Mexico facilities, state monuments, the Museum of Space

History, the Farm and Ranch Heritage Museum, the Museum of Natural History and Science, the National Hispanic Cultural Center (NHCC), the State Library and other CAD assets.

- \$8.3 million for completion of ongoing cultural facilities projects, including:
 - ◆ \$1.4 million for the Archaeology Center;
 - ◆ \$2.2 million for Tortugas Hall at the Farm and Ranch Heritage Museum; and
 - ◆ \$3 million for the new educational facility at the Museum of Natural History and Science.

- \$2.4 million for expansion of cultural facilities, including:
 - ◆ \$750,000 for the Museum of Space History exhibits building and collections acquisition;
 - ◆ \$200,000 for design and construction of the spaceport exhibition;
 - ◆ \$600,000 for a new wing and renovation at the New Mexico Museum of Art; and
 - ◆ \$500,000 for the exhibit hall renovation at the Museum of Indian Arts and Culture.

- \$2.2 million for upgrades to cultural facilities and equipment, including:
 - ◆ \$931,000 for the Museum Resources Division;
 - ◆ \$775,000 for the Museum of International Folk Art upgrades to sidewalks and stairwells and for improvements to the atrium roof and humidification airlocks; and
 - ◆ \$415,000 for improvements at the NHCC.

- \$10 million for acquisition of cultural assets, including:
 - ◆ \$1 million for conservation easements and land purchases at Jemez and Fort Selden state monuments;
 - ◆ \$5 million for museum collections purchases; and
 - ◆ \$4 million to purchase the Jean Cocteau building to house the New Mexico Film Museum.

Representative Taylor asked about the title deeds for the various museums. Secretary Ashman said that the boards of trustees, by statute, hold the properties in trust for the people of New Mexico. The museums and monuments are not under the control of the PCD, but that division has traditionally helped the CAD with procurement issues, such as the issuance of requests for proposals (RFP). The CAD assets were intentionally created to have an "arm's length" relationship with the state, so that the invaluable cultural resources the CAD stewards cannot suddenly be converted to other state uses.

Representative Taylor asked whether CAD institutions are paid for completely by the state. Secretary Ashman said that a significant portion of cultural facilities are often paid for by the private sector. Using the NHCC as an example, he said the state contributed \$21 million for its construction, the federal government contributed \$15 million, and \$6.5 million was raised

from the private sector. In response to Representative Taylor's request to know what the deeds say, Secretary Ashman said he would look into it.

Art in Public Places Update

Loie Fecteau, director of the Arts Division of the CAD, described for the commission the Art in Public Places Program the division implements. She also introduced one of the division's public art coordinators, Chuck Zimmer. The Art in Public Places program, which places works of art in or around public buildings, is funded by a one percent allocation of most capital outlay appropriations for construction or renovation. Since its inception in 1986, over 2,200 pieces of art have been placed at public buildings in every county of the state at a cost of \$7.5 million. In 2007, the program completed \$682,000 in public art projects, placing 83 works of art in 23 counties.

Ms. Fecteau described several types of projects the division implements, including commissioned art projects, the New Mexico Only Purchase Initiative, the Acclaimed Artists Series, the Permanent Public Art Collection, the New Mexico Fiber Arts Trails and the publication of CDs showcasing public art.

Ms. Fecteau said that the dramatic increase in capital outlay projects in the past few years has created a backlog of \$3 million for the implementation of arts projects. The division has only two public art coordinators to manage the hundreds of projects underway. The division is requesting funding from the legislature for two additional coordinators to implement the projects, she said.

Senator Ingle asked if local artists are used to enhance public buildings. Mr. Zimmer said that if an arts budget for a project is under \$15,000, the division will purchase art through the New Mexico Only Program. Works of art are chosen by a regional buying committee from the community, he said. Senator Ingle expressed concern that local artists in Portales were told that they would not necessarily be selected for placement.

Senator Jennings said that public art needs to be maintained. He also suggested that the cost of a work of art be displayed. He suggested that art located in parks and areas where children congregate should inspire children, rather than confuse them. He expressed concern about certain works of art that had been placed in his community.

Ms. Fecteau said that the Arts Division has been working with children in creating art, especially in public parks. She also said the department is in the process of digitizing images of all of its art collection, so that the public has easier access to them. Finally, she said the division is trying to get more funding for restoration and maintenance of its public art.

Public Regulation Commission Relocation of Offices

Jason Marks, chair, Public Regulation Commission (PRC), PRC Vice Chair Sandy Jones and administrative staff, Danny Mayfield and Juan Rios, described the dire need for space that the PRC is facing. Currently, the PRC is housed in three locations in Santa Fe: 201 employees work in the Public Employees Retirement Association (PERA) building; 58 employees work at Marian Hall; and 36 employees work in the San Mateo building. Both the San Mateo building and Marian Hall are in private leases. The landlord for the San Mateo building recently gave the PRC until the end of August 2008 to move out, and the lease for Marian Hall will expire in August 2009.

The plan for the PRC has been to eventually locate all of its functions in the PERA building, but the association is not scheduled to vacate the building until its new one is completed in 2009. Once the PERA leaves, the PCD needs to assess the condition of the space and make renovations as needed, which could take as long as a few years. The PRC has issued RFPs to lease space for up to five years to meet its interim space needs, but has not received any responses. Local landlords are reluctant to lease space to the PRC because most of them know that it will relocate to the PERA building as soon as it is available. The landlord of Marian Hall plans to convert it into a hotel as soon as the PRC is gone, and it is not willing to extend the lease. Although the owner of the San Mateo building found another tenant and decided to terminate the PRC's month-to-month lease this summer, the PCD negotiated with the landlord to allow the PRC to stay in its location until next year. All of this means that the PRC will be essentially homeless by mid-summer next year, as reported by Commissioner Marks.

Secretary Ashman asked if the owner of Marian Hall had given notice of its intention to the PRC. Commissioner Marks responded that it had not yet done so formally, but that the PRC was told it could stay in its location until the end of August 2009.

Secretary Faught asked when the PERA is scheduled to move out of the PERA building. Mr. Taylor said that it is scheduled to leave June 1, 2009. Mr. Taylor also remarked that the PCD needs to assess the condition of the PERA building before the PRC can occupy it. The PCD also needs to do a study to see if there is enough space to house the PRC. Secretary Faught asked when that study will be completed. Mr. Taylor said the PCD will complete the study in August 2008.

Commissioner Marks requested a meeting with Secretary Jaramillo and Mr. Taylor to work out the PRC's needs. He said the PRC is willing in the short term to work around a perhaps imperfect space. It is more urgent, however, that the PRC has a space in which to operate.

Speaker Lujan asked about the Marian Hall time line and what can be done until the PERA building is ready. Mr. Taylor said that the PERA only recently determined when its new building would be complete. The GSD issued RFPs, trying to find space for the PRC, but had no luck. The only option now is for a short-term lease, which will cost more. Commissioner Marks said the PRC will need a general fund appropriation to cover expected higher lease payments for the next year.

Speaker Lujan asked if the PCD has the money to renovate the PERA building. Mr. Taylor said that there is available money, which is left over from the purchase of the PERA building.

Secretary Jaramillo said that the GSD will need to find a balance between the need to renovate the PERA building and the need to house the PRC.

Speaker Lujan asked about the current space being used and the available space in the PERA building. Commissioner Marks responded that the PRC leases 34,000 square feet at Marian Hall, but much of that space is not being used efficiently. The PRC can use less space than the current usage. He said the available space at the PERA building, not including Apodaca Hall, is 21,000 square feet.

Speaker Lujan asked that the commission be updated on the PRC's relocation at the commission's September meeting.

Department of Transportation — Rail Runner and General Office Redevelopment

Santa Fe Headquarters Redevelopment

Lawrence Barreras, project coordinator, DOT, presented the DOT's plan for the redevelopment of its properties in Santa Fe. The 25-acre property currently housing the DOT's headquarters will be redeveloped using a public-private partnership or other alternative financing arrangement. The DOT is looking to create a revenue stream that will augment the State Road Fund, as well as provide a new headquarters for the department and physical plant facilities necessary for the DOT's operations.

The department will issue an RFP soon to engage the services of a consulting firm, which will guide the development of a master plan for the property. The master plan will evaluate and recommend the best use of the property and prepare several financing scenarios for the department. A project oversight committee composed of the Secretaries of Finance and Administration, General Services and Transportation will then choose the best option for the development of the property.

Secretary Faught said that she had just reviewed the potential RFP and is ready to include the DFA and GSD in the process. She said that the DOT should issue the RFP within 30 days.

Senator Jennings said that the DOT should be more inclusive in the RFP process. He said the department needs to be very careful with the public's and legislature's trust, especially after the previous aborted attempt to redevelop the property. At a minimum, he recommended including staff from the DFA, the GSD and the legislature to consult during the RFP process. He said that many members of the legislature are not happy with the sweetheart deals that have been made in the past by the executive. Making the process as open to the public as possible will go a long way toward restoring the public trust, he said. In addition, he cautioned against putting so many people into a concentrated area near downtown Santa Fe, potentially causing traffic

bottlenecks that will get worse than they are at present. He encouraged putting more development south of town near the state prison.

Representative Taylor asked about the federal contribution to the State Road Fund in 2008 and the restrictions placed on that money. Secretary Faught said that the DOT received approximately \$330 million this year from the federal government, which can only be used for transportation purposes and not for building construction. The only exception to that restriction is for buildings constructed for use in conjunction with the Federal Aviation Administration.

Speaker Lujan thanked Secretary Faught for making the redevelopment plans more public than the previous plans. He asked how many additional people will be at the property once it is developed. Secretary Faught said the initial phase of the RFP will determine what is the best use for the property, whether that ends up being some sort of mixed residential/office space concept or whether new state office buildings would be preferred. Regardless, she indicated that she expects many more people will be there every day. The Rail Runner station will be a tremendous benefit for the people using the property. Secretary Faught also reported that the new process is much more open than before. The City of Santa Fe will have input in the design process, and so will the public. She offered that the new design will comply with city and county ordinances.

Secretary Jaramillo reported that the GSD has already met twice with the DOT about the project and that both departments are sensitive to Senator Jennings' concerns about overbuilding in the area. He said that plans are in place to alleviate traffic concerns. Besides the commuter train, the GSD will be providing fleets of fuel-efficient cars for state employees to use for state business. According to Secretary Jaramillo, state employees will generally not need to bring their own cars to Santa Fe anymore.

Senator Jennings suggested that part of state government functions be relocated to sites further south to avoid further downtown congestion.

Regional Planning of District 3 Capital Assets

Secretary Faught provided an update of the DOT's use of the "Hilltop" property in Albuquerque. That property was identified in the commission's Albuquerque area master plan as suitable for acquisition by the GSD for inclusion in the state government supercomplex being planned there; however, in the June 2008 CBPC meeting, concerns were raised by Secretary Faught that the DOT was currently using that property and did not have any plans to relocate.

Secretary Faught said that there is a 12,000-square-foot building at the site, which has a current value of over \$2 million. An auxiliary building with 600 square feet was added in 2003. The entire property sits on approximately 1.8 acres of land. Secretary Faught said that the department recognizes the importance of considering the redevelopment of the property for the good of the state. She noted that all DOT properties are under the purview of the State Transportation Commission, which would have to approve any transfer.

Secretary Jaramillo directed the master plan team, Architectural Research Consultants (ARC), Inc., to confer further with DOT officials about the possible redevelopment of the Hilltop property.

Rail Runner Update

Secretary Faught and Chris Blewett of the Mid-Region Council of Governments (MRCOG) presented to the commission an update on the status of the Rail Runner project. They focused on the plans for the general office station near the DOT headquarters, which will begin construction soon. The station will include additional parking for commuters, a park and ride area and bus transit center, a "Kiss and Ride" drop-off location, new configurations of sidewalks, street crossings and curbs on local streets and a reconfiguration of Pacheco Street. Commuter rail service between Albuquerque and Santa Fe is expected to begin in December 2008.

Secretary Faught said that the buses servicing the park and ride system between Albuquerque and Santa Fe will be redirected to serve other areas of the state once the Rail Runner is operational. She said that Santa Fe County residents will vote in the November general election on a proposed one-eighth percent gross receipts tax increase for transportation purposes, of which 50 percent would be dedicated to operations of the Rail Runner.

Senator Ingle asked whether the GSD is in agreement with the new uses of its property. Secretary Jaramillo said his department is currently meeting with the DOT to resolve any land-use issues the rail station may bring.

Senator Ingle asked how many viable bids were received for this part of the project. Mr. Blewett said that there were only two; Kiewit New Mexico was the low bidder. He said that there were several RFPs for different parts of the rail project.

Senator Ingle asked about recent news reports that stated the overpasses for the train were two feet too short, according to PRC rules. Secretary Faught said that the PRC has a requirement that freight train overpasses be 22.5 feet high. The Rail Runner is only a commuter train, and freight trains will not be using the track. She said the DOT is working with the PRC to clarify who has jurisdiction to regulate commuter rail service. The issue may need to be brought to the legislature, she said.

Senator Ingle said that although the new commuter rail is commendable and will benefit central New Mexico, other parts of the state need transportation development, including basic road improvements.

Representative Taylor asked why Pacheco Street is being reconfigured through part of the GSD parking lot. Mr. Blewett said that the department has concerns about automobile traffic being backed up across the train tracks. The realignment of the road is the solution to a safety issue, he said.

Ms. Tackett asked whether the realignment of Pacheco Street will require legislative approval. Secretary Jaramillo said that the GSD is trying to ensure a trade with the City of Santa Fe of equal space. Mr. Taylor said that the GSD may do a non-exclusive right-of-way easement, which would not require legislative approval.

Overview of the Capital Improvement Planning Process

Robert Apodaca, director, Local Government Division, DFA, described the Infrastructure Capital Improvement Plan (ICIP) process that state and local governments use. Each state agency is required by the DFA to submit a five-year plan each year describing its infrastructure needs, based on its programmatic functions. (The statutes require a four-year plan to be submitted.) Local governments follow the same process, but are not required to submit ICIPs. The ICIP process works to create a broad planning effort in conjunction with other state planning processes, including those of the Public School Facilities Authority (PSFA), Higher Education Department, Aging and Long-Term Services Department, DOT and GSD.

The ICIP process encourages governments to plan for future needs; allows coordination of funding of projects between local governments and state agencies; communicates information about capital infrastructure needs to the legislature and executive; and includes inventory, goals, time frames, costs, including operating expenses, justifications and implementation plans for projects. Any governmental entity that is a political subdivision of the state can use the ICIP process. A compilation of the ICIPs gets published each December for policymakers to use.

Mr. Apodaca suggested that the legislature may want to enact a law that requires local governments to use the ICIP process to reduce the appropriation of funds for unplanned projects or to require state agencies to submit capital outlay requests to the DFA like they submit their budget requests. Mr. Apodaca said that these changes, coupled with other policy changes to the capital outlay process, could result in New Mexico receiving an "AAA" rating from bonding agencies.

Mr. Apodaca suggested other improvements that might be made: 1) generating internal monitoring reports to document progress on all of the state's capital projects; 2) reducing the number of small capital appropriations, which tend to fund projects only partially; 3) reducing the number of capital appropriations that are inappropriately dedicated to private or nonprofit organizations; 4) developing a statewide consolidated report on deferred maintenance problems; and 5) further tightening restrictions on the repeated reauthorizations of capital appropriations.

Secretary Jaramillo asked how the yearly GSD capital improvement plan, prepared by GSD, could be better integrated with each agency's ICIP. Mr. Apodaca said that better coordination needs to occur, since recommendations from agencies are not always in line with the GSD's plans or with the commission's master plan for the area. Secretary Jaramillo agreed and said that there are sometimes turf battles between agencies.

Property Control Division Report

Mr. Taylor gave an overview to the commission of the PCD's mission and current operations. The division's mission is "to ensure that the citizens of New Mexico receive the best value in design, construction and management of state-owned and leased facilities". The PCD manages more than 748 state-owned buildings totaling more than 6.9 million square feet. The GSD also manages the leases in private office space for most executive agencies, with a total of 3.2 million square feet leased at an annual cost of \$51.8 million.

Mr. Taylor addressed the problems of deferred maintenance in state buildings and referred to the facility condition index (FCI), which is the ratio, expressed as a percentage, of the cost of assessed deficiencies of a facility to the replacement value of the facility. Overall, the state has an FCI of 33 percent, which means that the cost to fix deficiencies in all of the state's facilities is 33 percent of the replacement value of those facilities. As the FCI of a facility increases, it becomes more cost-effective for the state to replace the facility rather than to repair it.

Mr. Taylor compared the Santa Fe County state agency FCI of 13.1 percent to that of the rest of the state, which has an FCI of 40.7 percent. The reason for the large discrepancy, said Mr. Taylor, is the existence of the Capitol Buildings Repair Fund, which is dedicated to repairs and renovations in public buildings in Santa Fe. The rest of the state relies on the irregular appropriations to the Public Buildings Repair Fund. Over time, deferred maintenance problems across the state have ballooned. If the PCD had a repair fund with a dedicated revenue stream, it could address deferred maintenance problems more easily and in a more timely manner.

Secretary Jaramillo said that the \$10 million appropriation the GSD requests each year for maintenance of state buildings is the only way for the state to repair existing buildings outside of Santa Fe and it is rarely funded at that amount; this year, it received \$2 million.

Mr. Taylor said that the PCD is also interested in the legislature creating a funding source for state agency ICIP projects, which could be ranked in part based on facility FCIs.

Staff Report

Ms. Knight briefly described for the commission the progress that PCD staff, legislative staff and the ARC team have made since the June commission meeting. Some of the planning meetings conducted include:

- a meeting with the Corrections Department to discuss the department's planning efforts statewide, to discuss the wastewater treatment facility at the Penitentiary of New Mexico and to discuss the department's long-range planning for the Los Lunas correctional and hospital sites;
- a meeting with Secretary Faught and DOT staff to discuss long-range master planning in Albuquerque and planning at the South Capitol Campus in Santa Fe;
- a meeting with MRCOG representatives to discuss the Rail Runner;

- ongoing meetings with state agencies to complete the Main Capitol Campus space needs study;
- a meeting with PRC staff to discuss its long-range planning and short-term space needs;
- a meeting with Valencia County officials to discuss the state-owned Los Lunas sites;
- meetings with Santa Fe developers to discuss potential building sites in Santa Fe for administrative offices; and
- workshops to discuss master planning issues and to meet with individually affected state agencies.

Workforce Solutions Department—Strategic and Facility Master Plans; One-Stop-Shop Program and Facility Concept

Secretary of Workforce Solutions Betty Sparrow Doris presented to the commission the Workforce Solutions Department (WSD) strategic plan to serve the New Mexico work force and employers, and she presented the WSD's new ICIP. The goals of the WSD include restructuring New Mexico's work force system into the new department to provide consistent high-quality services that are responsive to business, job seekers and workers; integrating services that are currently provided by separately funded work force development programs; ensuring all New Mexico youth receive the education, training and support they need for success in post-secondary education and work; providing New Mexico's adults with access to lifelong education, training and work force services; and establishing business as the primary driver of the New Mexico work force system.

The WSD strategies for its facilities are to partner with local work force development boards on one-stop facilities; to eliminate duplicative infrastructure costs through integration; to work with the GSD and legislature to maintain and upgrade its buildings; and to assess the long-term viability and sustainability of the current work force centers.

Secretary Doris presented the WSD's ICIP for the 2009 legislature, which includes:

- \$2.4 million for the Tiwa building life safety renovation project;
 - \$1.3 million for various state work force development center deferred maintenance repairs;
 - \$400,000 for the Las Vegas work force development center addition;
 - \$350,000 for parking lot improvements at work force development centers statewide;
- and

- \$460,000 for the Deming work force development center addition.

Finally, Secretary Doris discussed the De Vargas building in Santa Fe, which the PCD had previously been authorized by the legislature to sell or trade. Secretary Doris said that the WSD still desires to use the building as a work force development center and does not wish to dispose of it.

Public Comment

Rod Acton and Marilyn Bane, representing the Old Santa Fe Association, complimented the commission and staff for working with the community in developing a plan for the capitol parking structure. Mr. Acton said that he hopes that the DOT will use a similar public-oriented process when it develops the DOT property on Cerrillos Road. That development will serve as the bow of the Santa Fe architectural ship, where many visitors will make their entry to the city said Mr. Acton. He suggested that the community be invited to provide design and site planning input, mostly along the themes of the historic architectural imperatives of Santa Fe. Such inclusion helps with a project's credibility, he remarked.

Secretary Miller suggested that the Old Santa Fe Association meet with the State Transportation Commission, which has ultimate authority over the DOT project.

Secretary Jaramillo urged the DOT to follow a process that involves the public in the design of the DOT property. He said both the City of Santa Fe and the state benefited from the open process to plan the capitol parking garage.

Senator Jennings said that in developing the DOT property, the DOT headquarters should be located somewhere else, such as near the Santa Fe bypass.

There being no further business, the commission adjourned at 5:01 p.m.